



Notice: Changes for Employees with Section 125 Plans

Recent federal guidance issued by the Department of Labor and the Internal Revenue Service indicates that Section 125 plans cannot be used to purchase health insurance for employees without an employer contribution.

As a result of this federal guidance, employees will no longer be able to enroll in a Section 125, non-contributory plan through Mosaic Health Insurance Exchange or the Health Connector for health insurance as of January 1, 2014. If you currently are enrolled in a Section 125, non-contributory plan, through the Commonwealth or the Health Connector, it will be available through the end of your plan year in 2014.

Once your plan year has ended you can shop for health insurance through the Health Connector and may be eligible for advanced premium federal tax credits and/or state subsidies if your gross family income is at or below 400% Federal Poverty Level (which is approximately \$46,000 for an individual and \$94,000 for a family of four). Employees looking for information about how to enroll in health insurance through the Health Connector can visit MAhealthconnector.org or can call 1-877-MA-ENROLL.

The Commonwealth previously sent out a notice to employees making them aware of the Public Exchange/Marketplace. In that notice, the Commonwealth referred to the state requirement for Employers to offer Section 125 Health Insurance Coverage to non-benefited employees on a pre-tax basis. Please ignore the part of the notice that refers to Section 125 plans. That portion is now out of date given most recent federal guidance.

If you have questions, please email healthmarketplacenotice@massmail.state.ma.us or contact your HR department or GIC Coordinator.